BILL ANALYSIS

H.B. 3806
By: Lambert
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under state law, the banking commissioner may appoint a supervisor over a state trust company that is in hazardous condition. While under supervision, certain activities are restricted without prior approval from the banking commissioner or the supervisor. H.B. 3806 seeks to make the statute establishing these restrictions consistent with statutes applicable to other entities under the jurisdiction of the Texas Department of Banking by restricting a state trust company under supervision from engaging in any other activity the commissioner determines to threaten the safety and soundness of the company and extending a restriction on the payment of cash dividends to all dividends.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3806 amends the Finance Code to revise the actions a state trust company under supervision due to a determination of hazardous condition by the banking commissioner is prohibited from taking without prior approval of the commissioner or the supervisor, or as otherwise permitted or restricted by the order of supervision, as follows:

- includes among such prohibited actions engaging in any activity determined by the banking commissioner to threaten the safety and soundness of the state trust company; and
- removes the specification that the dividends the state trust company is prohibited from paying to shareholders or participants are cash dividends.

EFFECTIVE DATE

September 1, 2025.